

Employees Have Unique Profit Sharing Plan

When new employees at Torrance's Sears, Roebuck and Co. store have complete one year of service with the company, they will be able to join a unique profit sharing fund of which 97 per cent of all Sears regular employees throughout the country are members.

Profit sharing at Sears, or what in its full terminology is known as the "Savings and Profit Sharing Pension Fund of Sears, Roebuck and Co. Employees," is now in its forty-third year. Launched in an era when profit sharing generally was looked upon in the business world as a disturbing if not actually radical idea, the Sears profit sharing plan has continued to grow and prosper through two World Wars and two major depressions. It has 140,000 employee-members, including some still in military service, and this personnel, taken collectively as members of the profit sharing fund, is the largest single shareholder the company has, owning approximately 26 per cent of all the outstanding stock of the company.

The expressed purposes of the profit sharing plan at Sears have never been altered since the fund was founded in 1916. They are today, as then:

1. To permit employees to share in the profits of the company,
2. To encourage the habit of saving,
3. To provide a plan through which each eligible employe may accumulate his own savings, the company's distributions and the earnings of his accumulations as a means of providing an income for himself at the close of his active business career.

Membership in Sears profit sharing plan is purely optional. An employe contributes five per cent of his salary up to a maximum of \$500 a year. Thus, an annual compensation of \$10,000 is the maximum measure of any employe's participation in the profit sharing fund. This limitation is deemed advisable because it restrains higher salaried employes from hogging the fund.

On its side, the company contributes, depending on the amount of its earnings, up to 10 per cent of its net annual profits before deduction of federal taxes or dividends. The combined amounts of the employe's and company's contributions are invested for the most part in Sears common stock bought at whatever price the trustees of the fund deem prudent. The shares thus purchased are then credited to members on the basis of their individual savings-deposits. Dividends from the stock accredited to those accounts are used for the purchase of more stock which in turn is credited to accounts of the individual depositors. In addition to the Sears stock purchase, certain proportions of the fund's assets are put into government bonds, blue chip stocks, and cash.

Fund depositors, or members, share in distribution of the company's contributions according to their length of service. There are four service classifications: less than 5 years with the company; 5 to 10 years; 10 or more years, and a fourth classification consisting of members past 50 years of age having 15 or more years of service with the company.

The company's contribution each year is credited to the accounts of the individual members, pro-rata, on approximately the basis of one, two, three or four times their respective deposits during the year, depending on the service classification of the individual member. For instance, in 1958 the company's contribution to the profit sharing fund was \$38,000,000.

While the financial return on



SPACIOUS HARDWARE DEPARTMENT HAS HAND TOOLS GALORE



GUN SHOP AWAITS THE HUNTER AND MARKSMAN

savings approaches the sensation as long as profits and the stock market hold up, the employe member is assured that he will still make some profit from his own savings even in times of severe economic distress, for he is always assured that he will be able to withdraw all of his own savings plus 5 per cent interest.

The profit sharing fund keeps abreast of the times through amendments of its rules and regulations. Through the 43 years of the fund's history, the trustees, not less than 5 or more than 7, appointed by the company's board of directors, have had the final authority for management of the plan, but since 1939 an Advisory Council, made up of 11 employe members, has served actively in guiding the decisions of the trustees. The Advisory Council meets at least once a year with the trustees to discuss intimate member problems and to make recommendations for improvement of the fund.

Except for amendments, designed to meet emergencies of the moment, the original regulations pertaining to withdrawals from the fund, remain about the same. They provide that a depositor, who has completed five years of service may, upon ceasing to be a member of the fund, withdraw all money and securities credited to his account. After 10 years' service, a depositor may apply for withdrawal from time to time of such credits as shall not exceed one-half of the money and securities credited to him.

Depositors past 50 and with 15 years or more of service, may apply for larger partial withdrawals, and there are special provisions for emergency withdrawals, as in the event of death or serious illness in a member's

Allstate Agents on Hand for Opening

Moving Wednesday, to coincide with the opening of the new Sears store in Torrance, will be 14 experienced insurance agents of the Allstate Insurance Company, who will maintain offices at the Del Amo Shopping Center.

Allstate, a subsidiary of Sears, Roebuck and Co., was founded over 28 years ago to provide the utmost in automobile protection and service at a lower cost. Today, Allstate is the nation's largest stock insurer of automobiles, and recently honored their fourth millionth auto policyholder, W. T. Pillsbury, a resident of Long Beach, California. The company now insures more than 512,000 automobiles in the State of California.

In the past two years, the company has expanded into eight new lines of insurance. Theft, homeowners, fire and liability, and accident and sickness insurance have been offered, and an Allstate subsidiary began sale of life insurance in 1957.

Allstate established its first California office in 1940, and at that time there were 15 employe immediate family.

From the long view of 43 years, it would certainly seem that Sears profit sharing plan has met with something more than a mere modicum of success. As of December 31, 1958, the fund consisted of cash and miscellaneous investments amounting to \$274,754,213 and 19,809,300 shares of Sears stock of the market value of \$787,419,675 or total assets of \$1,062,173,888.

Those agents to be located at the new Torrance store will be: Bob Surber, Don Banker, John Zang, Paul Grey, Carl Peterson, Bob Deegan, Jack Balzer, Jim McGinnis, George Albert, Gene Gorenson, Wayne Burke, John Rudder, Bill Lynch and Bill Ingles. They will be available for insurance counseling at the store during store hours.

One-Man Store Sears Start

The story of Sears, Roebuck and Co., whose newest retail store opened in Torrance Wednesday, is one of the most interesting in the annals of American business.

Last year it took over 200,000 employes to run the company, yet in 1886 the business that became Sears was a "one-man" mail order house operated by the station agent in little North Redwood, Minn.

The story goes that the jeweler in North Redwood, afraid of becoming overstocked, decided not to accept a shipment of watches sent to him. The shipment was returned to the railway office.

The station agent, Richard W. Sears, obtained permission to dispose of the watches. He thought it would be to his credit if he was able to get the railroad its express charges.

Young Sears sent hand-written letters to railroad men he knew and told them about the watches. The shipment vanished and left the young man with an extra money in his pocket and with a merchandising idea whose possibilities excited him.

In a few months, Sears' spare-time job had outgrown in importance his duties with the railroad. At the age of 20, he moved to Minneapolis and founded his first mail order house.

The Minneapolis enterprise was an instantaneous success. He then moved his business to Chicago and it continued to flourish until 1889 when he sold out and made a contract with the buyers not to re-enter the mail order business in Chicago for a period of three years.

With what was in those days a sizeable fortune to his credit, Sears played with the idea of becoming a banker in an Iowa country town. The fate of what was to become Sears, Roebuck and Co., hinged on his decision at this point.

At length, he decided to return to the mail order business and started his second house in Minneapolis. He took a partner, A. C. Roebuck, whom he had employed as a watchmaker in his first venture. This business followed the example of its predecessor and moved to Chicago where in 1893 the present name, "Sears, Roebuck and Co.," was adopted.

Expressed briefly, the merchandising philosophy under which the firm then began to attain its great growth was to reduce to the absolute practical minimum the expense of moving goods from producer to customer. There followed establishment of the famous guarantee: "Satisfactory, guaranteed, or your money back."

Customers received further protection when the company in 1911, became the first distributor to establish testing laboratories. From then on, Sears laboratories have checked on both the matter and manner of every merchandise line sold by the company.

The company's Pacific Coast organization is directed by Vice President A. T. Cushman, himself a native Westerner whose first job with Sears was as an extra salesman in the men's clothing department of the company's Oakland store.

Where 75 years ago, Sears, Roebuck and Co. was little more than a flowering idea in the head of a young station agent in a tiny Minnesota town, today it is

Carpet Inventory from Torrance to San Diego

The statistics used to describe the warehousing operation which will back up the floorcovering department at Sears Torrance sound very much like an excerpt from "Believe it or Not," according to A. Carlton, manager of the rug department at the new store.

In East Los Angeles Sears operates the world's largest carpet workroom and warehouse under one roof, an inventory of carpeting which, if laid end-to-end in nine foot widths, would extend from Torrance to San Diego.

In a single warehouse the company stores more than 1600 bales of broadloom, ready for cutting and delivering to customer's homes. With the aid of electrical cranes, one man may remove the 600 pound bales from the racks and convey them to the cutting and wrapping operation which is mechanized in such a way that rugs weighing several hundred pounds can be wrapped in a matter of seconds.

The bulky and heavy rolls of linoleum are handled by electric cranes and powered tractors using liquid petroleum to eliminate unpleasant fumes.

Though it is the most impressive sight for casual visitors, the carpet workroom is only one part of this mammoth installation. Besides the 64,000 square feet devoted to broadloom, linoleum and floor tile, the sprawling U-shaped building provides storage for major appliances, building materials, furniture and a huge assortment of other merchandise. Repair shops and various offices are also housed in the building.



LATEST FALL FASHIONS FEATURED IN WOMEN'S APPAREL DEPARTMENT



VIEW OF MEN'S DRESS CLOTHING department shows broad assortment of fall suits, sport-coats and slacks.

'Promotion from Within' Called Key to Sears Success

Sears consistent policy of "Promotion from within" has been the means of thousands of young men and women starting with Sears in a routine capacity, and by virtue of training and application, growing into career jobs with added responsibilities and rewards.

As Sears (and any other large corporation, for that matter) continues to expand its activities, it must be actively on the lookout for young men of executive caliber who can be brought into the company, carefully trained, and prepared for important assignments. For the young college-trained man, for instance, a career with Sears can lead in many directions. The new man, depending on his background and aptitudes, can train for sales management, traffic management, accounting and auditing, buying, advertising, retail credit, sales, personnel, mail order sales, merchandise development, store planning, factory management, store management—the list is almost endless.

According to a fairly recent government estimate, the next decade should see the United States supporting a \$500-billion economy. Of this, \$340 billions will go into consumer goods and services.

At present, some nine million people are engaged in various phases of retailing. And, since distribution is growing at a faster rate than other industries, this enormous growth should create a corresponding need for trained people.

Optometrists to Open Offices

Two veteran optometrists, Drs. Harry S. Beucher and Erwin A. Rader, will maintain offices in the new Torrance Sears, Roebuck and Co. store which opened Wednesday.

Dr. Beucher is a native of Iowa and attended Bradley University and the Needles College of Optometry. He began the practice of optometry in California in 1920 after military service in World War I, and has maintained optometric offices in Sears stores since 1929.

Dr. Rader was reared in Wisconsin and obtained his early schooling there. Coming to California, he continued his education at the University of Southern California, University of California at Los Angeles, and the Los Angeles College of Optometry.

SEARS CHARGE HONORED IN ALL STORES IN COUNTY

A Sears charge account can be mighty convenient. If you have a charge account with Sears in Torrance, your credit will be honored at the other 728-odd department stores which dot the nation. It comes in handy for the traveling motorist for he can have his car checked, filled with gas and oil, and even charge new parts. All he has to do is show his credit card.



THE "SPECIALTY" DEPARTMENTS at the new store are managed by (left to right): Velma Nelson, drugs, sundries, toilet goods; Polly Laek, candy; Marion Page, stationery, cameras; Dorothy Owens, cashier; Jack Butcher, catalog orders; Helen Petrill, jewelry, silverware and clocks; and Eleanor Ginder, PBX operator.



CAVERNOUS INTERIOR of Sears floorcovering warehouse in East Los Angeles, showing the 18-foot high racks in which are stored more than 1,600 bales of carpeting, making this operation the world's largest carpet workroom.